

04-00434

AQUA UTILITIES COMPANY, INC.
408 MAIN STREET
SAVANNAH, TN 38372
(731) 925-6547
(731) 925-9524 FAX

March 23, 2005

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RECEIVED
TN REG. AUTHORITY

MAR 28 PM

ENERGY & WATER DIVISION

Re: Wastewater Data Request

2. If your company does not have an escrow account, please explain how the company would fund extensive system repairs or operations in the event of an emergency.

Response: In the event of an emergency, extensive system repairs or operations would be funded by Montana Land Company. However, Aqua Utilities expects to file a rate increase and change in tariff soon and plans to establish an escrow account during that time. James E. Clausel is a real estate developer and owner of Montana Land Company and Aqua Utilities Company, Inc.

Sincerely,



James E. Clausel

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MAR 28 PM 4:01
TRA DOCKET ROOM

ALL WASTEWATER UTILITIES

STAFF DATA REQUEST – MARCH 16, 2005

When responding to the following questions, please repeat the question number and question, followed by the Company's response.

1. Does your company maintain an escrow account to appropriate funds dedicated to system repairs or operations in the event of an emergency? Does the company maintain an escrow account for any other purpose? If so, when was this account(s) first established?
2. If your company does not have an escrow account, please explain how the company would fund extensive system repairs or operations in the event of an emergency.
3. If an escrow account(s) exists, please answer the following questions:
 - a. Does the company have a copy of the legal document establishing this account?
 - b. Is the account separately recorded on the company's financial statements?
 - c. What is the current balance in this account?
 - d. For what purposes can funds from this account be used?
 - e. Has your company had occasion to use funds from this account over the last five (5) years? If yes, describe the event(s) that necessitated use of the funds
 - f. What internal procedures are in place for deposits and disbursements to this account?
 - g. Who is (are) the person(s) responsible for carrying out these procedures?
 - h. Who is the person that is authorized to approve disbursements?
 - i. Does the company keep detailed records of deposits to and disbursements from this account?
 - j. How is this account funded?
 - k. What is the account number and where on the company's annual report to the TRA is the account disclosed?